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Westly Says State Windfall Should Go to Schools and Local Governments

Plan Would Help Education, Public Safety and Save Interest Costs

SACRAMENTO – State Controller Steve Westly today called on Governor Schwarzenegger to put prudence over politics and use the State's additional revenues to repay billions of dollars owed to California's public schools, cities and counties.

"California's debt hurts the State's ability to support education, public safety and other vital services," Westly said. "The state can't afford the interest payments caused by those debts. The structural deficit is not going away unless the Governor gets serious about balancing the state's books."

California is expected to receive \$4 billion in revenues that were not anticipated. This money will be allocated in next year's budget. In addition to bond debt, California owes more than \$3 billion to schools and \$2.5 billion to local governments. The money owed to schools and localities is also accruing hundreds of millions of dollars in additional interest.

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